GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3268
ANSWERED ON:11.02.2014
HOARDING AND BLACK MARKETING
Rane Dr. Nilesh Narayan

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether a report by Oxfam has indicated that low Minimum Support Price (MSP) and rising prices of foodgrains had led to hoarding and profiteering by the companies trading in foodgrains while the farmers and consumers continue to suffer;

(b) if so, the details thereof indicating the salient features of the said report; and

(c) the details of the remedial measures being taken by the Government in this regard?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) & (b) Oxfam is an international agency owned by private/ non-government agencies and reports of such agencies are not taken into account by the Government in the fixation of Minimum Support Price. As far as issue of fixing Minimum Support Price (MSP) is concerned, MSP is fixed based on the recommendation of Commission of Agricultural Costs and Prices (CACP) after taking into consideration cost of production for the farmers and a reasonable profit. Government is procuring substantial quantities of foodgrains at this price indicating that prices are attractive for the farmers. The current Government policies encourage participation of private traders/agencies as the current level of foodgrain procurement is roughly to the tune of 25% to 30% of total production in a year, though the same is more than enough for Targeted Public Distribution System (TPDS)/Other Welfare Scheme(OWS) requirements including additional requirements needed for implementation of National Food Security Act. Purchase by private traders reduces the burden of procurement of Government Agencies and ensures payment of better prices to the farmers. To control the market prices Government is also releasing foodgrains under Open Market Sale Scheme (OMSS) which helps in offloading the surplus Government Stocks. For 2013-14, a quantity of 105 lakh tonnes of foodgrains were allocated for sale under the scheme which was enough to obviate any possibility of hoarding/ profiteering by any other agency.

(c) In view of (a) & (b) above does not arise.